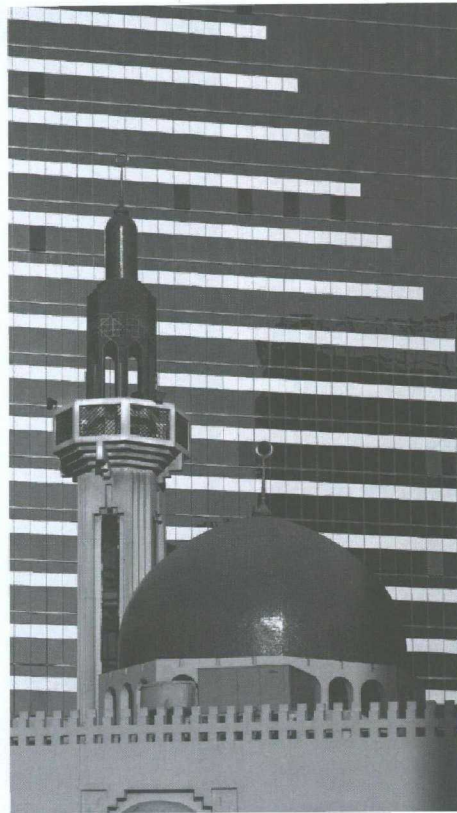


EDC poised to increase Islamic financing

Export Development Canada (EDC) has signed an agreement with the Islamic Corporation for the Insurance of Investment and Export Credit to help it build closer relationships with key Islamic financial institutions and to increase opportunities for Canadian exporters in countries covered by the Islamic Development Bank Group.

Islamic financing refers to a system of banking or banking activity which is consistent with Islamic law principles and guided by Islamic economics. Islamic law prohibits usury, the collection and payment of interest.

"In more than 75 markets around the world, supporting transactions and projects using Islamic financial ins-



truments is a business reality," said Eric Siegel, Chief Operating Officer of EDC. "Through this agreement, EDC hopes to develop a wealth of opportunities for Canadian exporters in new markets, particularly the Middle East, Malaysia, Indonesia, India and Pakistan."

EDC is Canada's export credit agency, offering innovative commercial solutions to help Canadian exporters and investors expand their international business. EDC's knowledge and partnerships are used by 7,000 Canadian companies and their global customers in up to 200 markets each year. EDC is financially self-sustaining and is a recognized leader in financial reporting, economic analysis and human resource management.

For more information, go to www.edc.ca.



Corporate espionage – continued from page 3

to assume that companies and their employees won't cross the line to bolster the corporate bottom line or to advance an individual's career."

Sanders says the pressures of economic competition are even felt at the national level. The International Chamber of Commerce recently launched a campaign to stop counterfeiting and piracy by renegade companies, and to pressure governments to enforce anti-counterfeit laws and legislation.

The European Commission, the executive body of the European Union, has also charged that local authorities in some countries do little to rein in counterfeiting of Western brand products. China tops the list, according to the EU, where counterfeiting grew by an epidemic 800% in 2004, followed by Russia, Ukraine, Chile and Turkey.

And finally, Sanders says corporate espionage is growing because the global economy is too.

"Laws against corporate espionage are difficult enough to enforce when they regulate companies doing business in the same

country. They are even harder to enforce or interpret when they attempt to regulate companies doing business across oceans and cultures," he says.

Whenever cross-border corporate espionage occurs, it implicates not only the laws of the country where the thief resides, but also the laws of the victim's home country. It is just a fact of life that, for now, the habits, traditions and legal conventions which govern multinational corporations and the multitude of nations engaged in world trade, are far less mature, ingrained and uniform than those in an individual country.

Sanders says this should not be surprising. "Whenever the manner by which we earn our living undergoes a revolutionary change—like going from primitive manufacturing to large-scale industrialization—there is always a lag between the appearance of a new economic order and the social, political and legal systems that sustain it."

That holds equally true in today's global economy, where, in the absence of established conventions and a uniform body of law, a buccaneer spirit of anything-goes too often does rule the day.

For more information, go to www.iccwbo.org or www.sandw.com.



Canadian wood-frame houses find markets overseas

The list of manufactured goods exported from Canada has a small but growing entry: wood-frame houses.

Countries around the world are coming to appreciate Canadian expertise in the construction of wood-frame houses, housing technology and energy efficiency. The result is a growing demand for that expertise in the form of pre-engineered homes, and DAC International Inc. of Carp, Ontario, is finding success entering international markets with its products.

DAC designs, prefabricates, ships and erects wood-frame homes around the world, from one-of-a-kind dream homes to large-scale residential developments. The company's hard work has generated results, with DAC exporting more than 700 housing units to the U.S., Japan and the U.K.

"Canadians don't realize how valuable their expertise in this area really is, but other countries recognize it and they're interested," says Jeff Armstrong, the company's president.

DAC began more than 20 years ago as a general contractor, building custom homes in the Ottawa Valley. Infused with an interest in energy conservation and a build-it-to-last philosophy, the company was doing well, Armstrong says.

But on a trip to Poland in the early 1990s, Armstrong found great interest in Canadian housing products and know-how and determined pre-engineered manufacturing would be a commercially viable way to export housing technology.

"We didn't begin life as manufacturers, we brought our expertise as builders indoors," Armstrong says, essentially reverse engineering the building process. With a product in place, attention turned to the challenge of international marketing.

"It was pretty lonely at the beginning," says Armstrong. "We didn't know how well the business model would work." DAC persevered, however, and the company was well-positioned when Natural Resources Canada launched a drive to market Canadian energy-efficient technology to foreign markets by re-branding its R-2000 initiative as Super E housing.

"R-2000 encapsulated the way we were already building houses," Armstrong says. Canada Mortgage and Housing Corporation (CMHC) International came on board to promote Super E. CMHC International provides assistance with market intelligence in the housing industry and helps to find local partners for Canadian companies.



A DAC International home in Easton, Maryland.

In 1999, DAC built one of Japan's first Super E houses and has built dozens more since. Recently the company completed delivery of a seniors' facility in Toyota City, demonstrating the application of Canadian wood-frame expertise to large-scale projects.

Armstrong says that in retrospect, his company might have been able to take advantage of even more opportunities in the early years if DAC had greater resources behind it. DAC was built from the ground up and didn't have sufficient capital to expand to meet demand. In 2005, the firm was acquired by the KOTT Group, a large Ottawa-based building material supplier and manufacturer that was very supportive of DAC's export agenda.

"We're no longer a niche performer. We needed to get stronger and we set out to find a sound partner who shared our vision," Armstrong says. About 90% of the company's business is export.

His advice for those considering international markets is to take full advantage of existing information.

"You've got to learn as much as possible about the environment you're going to be working in. The differences in the business culture from Canada may be subtle but they're important. There's a steep learning curve in every market."

He also recommends seeking the assistance of agencies such as Canada Mortgage and Housing Corporation, and contacting the commercial officers at consulates and embassies in the market you're entering.

"The people at CMHC and in the foreign service are very helpful, bright and able. Don't try to go it alone, get the benefit of the experience at CMHC and Foreign Affairs and International Trade Canada."

For more information, contact CMHC International, website: www.cmhc.ca.

